

Village of Evendale

Financial Statements

December 31, 2004 and 2003



**Auditor of State
Betty Montgomery**

Village Council
Village of Evendale
Cincinnati, Ohio

We have reviewed the *Independent Accountants' Report* of the Village of Evendale, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2003 through December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Evendale is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 27, 2005

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Independent Accountants' Report

June 15, 2005

To the Village Council:

We have audited the accompanying financial statements of the Village of Evendale, Ohio (the Village), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have issued our report dated June 15, 2005, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.


Plattenburg & Associates, Inc.
Certified Public Accountants

VILLAGE OF EVENDALE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$8,131,633	\$0	\$0	\$0	\$8,131,633
Intergovernmental Receipts	395,937	357,399	0	0	753,336
Charges for Services	184,014	225	0	0	184,239
Fines, Licenses, and Permits	215,194	0	0	0	215,194
Interest	198,438	0	0	0	198,438
Total Cash Receipts	9,125,216	357,624	0	0	9,482,840
Cash Disbursements:					
Current:					
Security of Person and Property	4,842,569	2,325	0	0	4,844,894
Public Health Services	15,737	0	0	0	15,737
Leisure Time Activities	1,454,070	0	0	0	1,454,070
Community Environment	586,030	382,761	0	0	968,791
Basic Utility Services	166,941	0	0	0	166,941
Transportation	0	826,843	0	0	826,843
General Government	1,900,365	0	0	0	1,900,365
Capital Outlay	0	0	0	563,279	563,279
Debt Service:					
Redemption of Principal	0	0	225,000	0	225,000
Interest and Other Fiscal Charges	0	0	57,510	0	57,510
Total Cash Disbursements	8,965,712	1,211,929	282,510	563,279	11,023,430
Total Receipts Over (Under) Disbursements	159,504	(854,305)	(282,510)	(563,279)	(1,540,590)
Other Financing Receipts (Disbursements):					
Sale of Fixed Assets	3,284	0	0	0	3,284
Transfers-In	145,576	735,000	282,510	0	1,163,086
Transfers-Out	(1,075,834)	0	0	(145,576)	(1,221,410)
Other Sources	20,422	0	0	0	20,422
Total Other Financing Receipts (Disbursements):	(906,552)	735,000	282,510	(145,576)	(34,618)
Excess of Receipts & Other Financing Receipts Over (Under) Cash Disbursements & Other Financing Uses	(747,048)	(119,305)	0	(708,855)	(1,575,208)
Fund Cash Balance, January 1	12,527,930	918,075	0	820,155	14,266,160
Fund Cash Balance, December 31	\$11,780,882	\$798,770	\$0	\$111,300	\$12,690,952
Reserves for Encumbrances, December 31	\$492,596	\$59,827	\$0	\$39,645	\$592,068

See accompanying notes.

VILLAGE OF EVENDALE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>\$171,483</u>
Total Non-Operating Cash Receipts	<u>171,483</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Disbursements	<u>248,129</u>
Total Non-Operating Cash Disbursements	<u>248,129</u>
Excess of Receipts Over (Under) Disbursements Before Interfund Transfers	(76,646)
Transfers-In	<u>58,324</u>
Net Receipts Over (Under) Disbursements	(18,322)
Fund Cash Balances, January 1	<u>106,792</u>
Fund Cash Balances, December 31	<u><u>\$88,470</u></u>

See accompanying notes.

VILLAGE OF EVENDALE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$8,319,194	\$0	\$0	\$0	\$8,319,194
Intergovernmental Receipts	539,426	209,626	0	0	749,052
Charges for Services	204,356	100	0	0	204,456
Fines, Licenses, and Permits	202,162	0	0	0	202,162
Interest	578,898	0	0	0	578,898
Total Cash Receipts	9,844,036	209,726	0	0	10,053,762
Cash Disbursements:					
Current:					
Security of Person and Property	4,650,754	0	0	0	4,650,754
Public Health Services	18,327	0	0	0	18,327
Leisure Time Activities	1,408,611	0	0	0	1,408,611
Community Environment	1,307,702	26,176	0	0	1,333,878
Basic Utility Services	204,890	0	0	0	204,890
Transportation	0	776,581	0	0	776,581
General Government	1,945,202	0	0	0	1,945,202
Capital Outlay	0	0	0	5,365,892	5,365,892
Debt Service:					
Redemption of Principal	0	0	225,000	0	225,000
Interest and Other Fiscal Charges	0	0	56,843	0	56,843
Total Cash Disbursements	9,535,486	802,757	281,843	5,365,892	15,985,978
Total Receipts Over (Under) Disbursements	308,550	(593,031)	(281,843)	(5,365,892)	(5,932,216)
Other Financing Receipts (Disbursements):					
Sale of Bonds	0	0	0	2,232,860	2,232,860
Sale of Fixed Assets	451,628	2,600	0	0	454,228
Transfers-In	0	619,000	281,843	3,807,612	4,708,455
Transfers-Out	(4,767,537)	0	0	0	(4,767,537)
Other Sources	119,451	0	0	0	119,451
Total Other Financing Receipts (Disbursements):	(4,196,458)	621,600	281,843	6,040,472	2,747,457
Excess of Receipts & Other Financing Receipts Over (Under) Cash Disbursements & Other Financing Uses	(3,887,908)	28,569	0	674,580	(3,184,759)
Fund Cash Balance, January 1	16,415,838	889,506	0	145,575	17,450,919
Fund Cash Balance, December 31	\$12,527,930	\$918,075	\$0	\$820,155	\$14,266,160
Reserves for Encumbrances, December 31	\$768,563	\$98,750	\$0	\$92,169	\$959,482

See accompanying notes.

VILLAGE OF EVENDALE
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Non-Operating Cash Receipts:	
Other Non-Operating Receipts	<u>\$155,871</u>
Total Non-Operating Cash Receipts	<u>155,871</u>
Non-Operating Cash Disbursements:	
Other Non-Operating Disbursements	<u>185,450</u>
Total Non-Operating Cash Disbursements	<u>185,450</u>
Excess of Receipts Over (Under) Disbursements Before Interfund Transfers	(29,579)
Transfers-In	<u>59,082</u>
Net Receipts Over (Under) Disbursements	29,503
Fund Cash Balances, January 1	<u>\$77,289</u>
Fund Cash Balances, December 31	<u>\$106,792</u>

See accompanying notes.

**VILLAGE OF EVENDALE
HAMILTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 21, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Evendale, Hamilton County, Ohio (the Village), is a home rule municipal corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under its own charter and is directed by a publicly-elected Mayor and six-member Council. The Village provides general governmental services, park operations, leisure time and fitness activities, waste disposal, police and fire services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are valued at cost and are reported as a part of Fund Cash Balance. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

3. Debt Service

These funds are used for the accumulation of resources for the payment of general and special assessment long-term debt principal and interest.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

Capital Improvement Fund – This fund receives state and local monies as well as monies transferred from the General Fund to be used to fund Village construction projects.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agent capacity are classified as agency funds. The Village uses the following Agency Funds (there are no trust funds):

Agency Funds:

Mayor's Court – This fund receives fines and forfeitures money to be distributed to the Village and to the State.

Dental and Optical Fund – This fund is used to account for amounts contributed by the Village to be used to reimburse employees for dental and optical expenses.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Employees retiring from the Village are also entitled to cash payments for unused sick time. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. FUND CASH BALANCE

The Village maintains a cash and investments pool used by all funds. The Village investment policy which is in compliance with the Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2004	2003
Demand Deposits	<u>\$2,223,957</u>	<u>\$3,923,662</u>
Total deposits	<u>2,223,957</u>	<u>3,923,662</u>
U.S. Agency Notes	9,900,122	0
STAR Ohio	<u>655,343</u>	<u>10,449,290</u>
Total investments	<u>10,555,465</u>	<u>10,449,290</u>
Total deposits and investments	<u>\$12,779,422</u>	<u>\$14,372,952</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or, (2) collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,013,050	\$9,294,498	\$281,448
Special Revenue	787,600	1,092,624	305,024
Debt Service	282,510	282,510	0
Capital Projects	<u>1,342,785</u>	<u>0</u>	<u>(1,342,785)</u>
Total	<u>\$11,425,945</u>	<u>\$10,669,632</u>	<u>(\$756,313)</u>

2004 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$11,686,341	\$10,534,112	\$1,152,229
Special Revenue	1,537,495	1,271,756	265,739
Debt Service	282,510	282,510	0
Capital Projects	<u>889,865</u>	<u>748,500</u>	<u>141,365</u>
Total	<u>\$14,396,211</u>	<u>\$12,836,878</u>	<u>\$1,559,333</u>

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,442,546	\$10,415,115	\$2,972,569
Special Revenue	541,724	831,326	289,602
Debt Service	0	281,843	281,843
Capital Projects	<u>0</u>	<u>6,040,472</u>	<u>6,040,472</u>
Total	<u>\$7,984,270</u>	<u>\$17,568,756</u>	<u>\$9,584,486</u>

2003 Budgeted vs. Actual Budgetary Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$17,462,464	\$15,071,586	\$2,390,878
Special Revenue	1,061,877	901,507	160,370
Debt Service	281,843	281,843	0
Capital Projects	<u>6,364,949</u>	<u>5,458,061</u>	<u>906,888</u>
Total	<u>\$25,171,133</u>	<u>\$21,712,997</u>	<u>\$3,458,136</u>

4. RETIREMENT SYSTEMS

A. Ohio Public Employees Retirement System

Plan Description: The Village contributes to OPERS, a cost-sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code (ORC) assigns the authority to establish and amend benefit provisions to the OPERS Retirement Board. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 466-2085.

Funding Policy: The ORC provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. For local government employer units the rate is 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The contribution requirements of plan members and the Village are established and may be amended by the OPERS Retirement Board.

Other Postemployment Benefits

In addition to the pension benefit obligation described above, the OPERS also provides postemployment health care benefits to age and service retirants with ten (10) or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to OPERS is set-aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postretirement health care through their contributions to OPERS. The portion of the employer contribution rate (identified above) that was used to fund health care was 4.0% of covered payroll for 2004 and 5 % of covered payroll in 2003.

The significant assumptions and calculations described below were based on the OPERS of Ohio's latest unaudited information as of December 31, 2003. There were 369,885 active contributing participants. Estimated net assets available for future benefits payments were \$10.5 billion. Estimated accrued liability and the unfunded estimated accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively. Benefits are financed through employer contributions and investment earnings there on. The contributions, investment income and periodic adjustment in health care provisions are expected to be sufficient to sustain the program indefinitely.

B. Ohio Police and Firemen's Disability and Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F); a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police and 24% for firefighters.

Other Post-retirement Benefits

OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. The Ohio Revised Code provides statutory authority for employer contributions and allows OP&F's Board of Trustees to provide post-retirement health care coverage to all eligible individuals. Most retirees are required to contribute a portion of the cost of their health care coverage.

The percentage of the Village contribution that was used to fund post-retirement health care benefits was 7.75% of covered payroll in 2004 and 7.75% of covered payroll in 2003. Funding and accounting are on a pay-as-you-go basis.

As of December 31, 2003, the number of participants eligible to receive health care benefits was 13,662 for police and 10,474 for fire. OP&F does not provide separate data on the funded status and funding progress of post-retirement health care benefits. The Fund's total health care expenses for the year ended December 31, 2003 (latest available information) were \$150,853,148, which was net of member contributions of \$17,207,506.

5. RISK MANAGEMENT

The Village has purchased commercial insurance for the following risks:

- Comprehensive property, equipment, and vehicle insurance
- Broad form comprehensive general liability
- Public officials' wrongful act errors or omission liability.

The Village provides health insurance to full-time employees through a private carrier. The Village reimburses full time employees up to \$900 each year for dental and optical expenses incurred by the employee and the employees' dependents.

6. EARNINGS TAX

The Village's earnings tax applies to all who live, work, operate a business, conduct business and/or provide services within the Village. All Village residents are subject to this tax and are required to file an annual return with the Village. A credit, equal to the Village tax rate, is available to residents of the Village on earnings for which tax was withheld or paid to another municipality. The tax rate for 2004 and 2003 was 0.9%.

7. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due on December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

The Village exercised its option to set property tax rates at zero for fiscal years 2004 and 2003. Therefore the Village collected no property taxes during 2004 and 2003.

8. DEBT

Debt outstanding at year end was as follows:

	<u>Interest Rate</u>	<u>2004</u>	<u>2003</u>
Real Estate Acquisition Bonds	2.00% to 3.80%	\$1,785,000	\$2,010,000

The bonds were issued to acquire real estate.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year Ending December 31:</u>	<u>Real Estate Acquisition Bonds</u>
2005	\$278,010
2006	273,510
2007	268,448
2008	262,823
2009	256,073
2010-2012	<u>708,400</u>
Total	<u>\$2,047,264</u>

9. TRANSFERS

Interfund transactions at year end consisted of the following:

	<u>2004 Transfers</u>		<u>2003 Transfers</u>	
	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>
General Fund	\$145,576 *	\$1,075,834	\$0	\$4,767,537
Special Revenue	735,000	0	619,000	0
Debt Service	282,510	0	281,843	0
Capital Projects	0	145,576 *	3,807,612	0
Agency	<u>58,324</u>	<u>0</u>	<u>59,082</u>	<u>0</u>
Total All Funds	<u>\$1,221,410</u>	<u>\$1,221,410</u>	<u>\$4,767,537</u>	<u>\$4,767,537</u>

* Court approval was obtained in compliance with Ohio Revised Code.

10. COMPLIANCE

Ohio Rev. Code, Section 5705.39, states that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. At December 31, 2003, appropriations exceeded estimated resources in the Capital Improvement and Debt Service Funds.

Village of Evendale

Yellow Book Report

December 31, 2004 and 2003



**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

June 15, 2005

Village Council
Village of Evendale

We have audited the financial statements of the Village of Evendale (the Village), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 15, 2005, in which we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of noncompliance as item 2003-001.

This report is intended solely for the information of management, the Auditor of State and Village Council and is not intended to be and should not be used by anyone other than these specified parties.



Plattenburg & Associates, Inc.
Certified Public Accountants

**Schedule of Findings
December 31, 2004 and 2003**

Finding Number 2003-001

Non Compliance Citation

Ohio Rev. Code, Section 5705.39, states that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. At December 31, 2003, appropriations exceeded estimated resources in the Capital Improvement and Debt Service Funds.

Management's Comments/Response

The Village plans to monitor appropriations and receipts and obtain amended certificates of estimated resources as needed.



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VILLAGE OF EVENDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2005**